



Our nation's economy continues to improve while America has become a world leader in energy production and in the reduction of greenhouse gas emissions, achievements long thought to be mutually exclusive. America's 21st century energy revolution is the result of industry-led innovations and entrepreneurial spirit, not government

regulation and mandates. America's brighter energy reality benefits consumers and our economy by providing abundant, affordable and reliable energy and a cleaner environment. To continue America's positive energy, economic and environmental progress, we need to get our nation's energy policy right today.

### HERE ARE THE FACTS...



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Oil Production In U.S. (2000-2015) and
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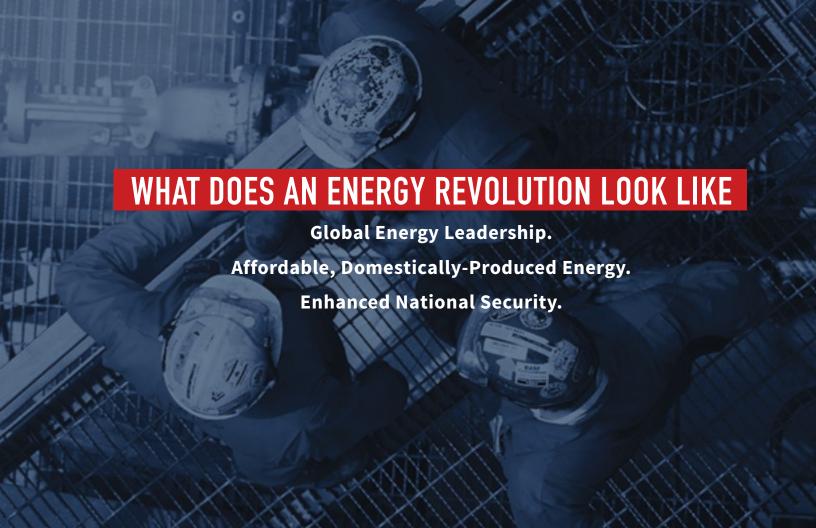
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# HOW TO STOP THE AMERICAN ENERGY REVOLUTION

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# ENERGIZING AMERICA ENERGY IN CHARTS



# HYDRAULIC FRACTURING HAS UNLOCKED

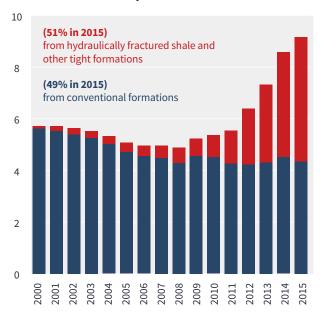
# VAST AMOUNTS OF OIL AND NATURAL GAS

### WHAT DOES AN ENERGY REVOLUTION LOOK LIKE

As a result, our nation has become the world's leading producer of oil and natural gas.

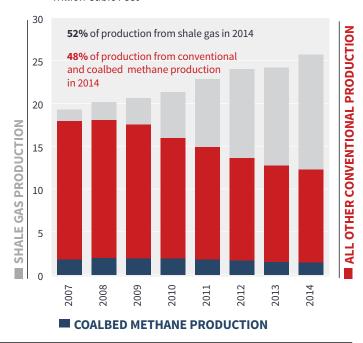
### **OIL PRODUCTION IN U.S. (2000-2015)**

Million Barrels Per Day



#### U.S. DRY NATURAL GAS PRODUCTION

**Trillion Cubic Feet** 



Note: Some Conventional Formations are Also Hydraulically Fractured to Increase Production. Source: Today In Energy, March 15, 2016. EIA.

# PRODUCER OF OIL AND NATURAL GAS

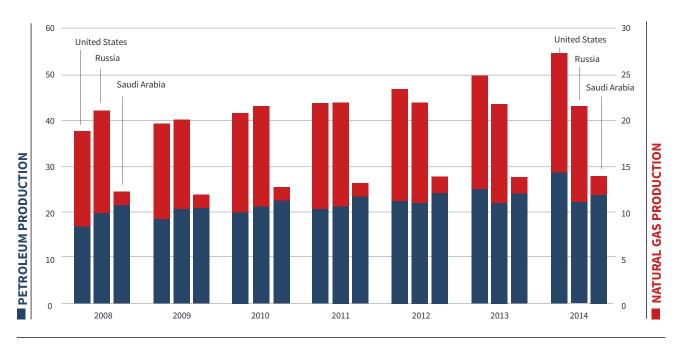
### WHAT DOES AN ENERGY REVOLUTION LOOK LIKE

A dramatic change from just a few years ago. More American energy benefits our nation's economy and consumers, and enhances our national security.

### U.S., RUSSIA AND SAUDI ARABIA PETROLEUM AND NATURAL GAS PRODUCTION

**Quadrillion British Thermal Units** 

Million Barrels Per Day of Oil Equivalent



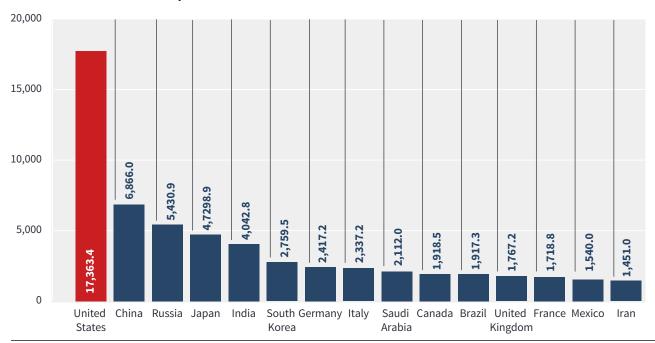


### WHAT DOES AN ENERGY REVOLUTION LOOK LIKE

America also leads the world in refining capacity, supplied by our world-leading refineries, which provides the American consumer and the world with cleaner more efficient fuels.

#### **CRUDE OIL DISTILLATION CAPACITY - 2012**

Thousand Barrels Per Calender Day









WHAT DOES THE AMERICAN ENERGY REVOLUTION MEAN

The energy policy decisions our country makes today will determine America's energy future for generations to come.

#### **IMAPACTS OF POLICY CHOICES**





# DEMAND FOR ENERGY FROM ALL SOURCES

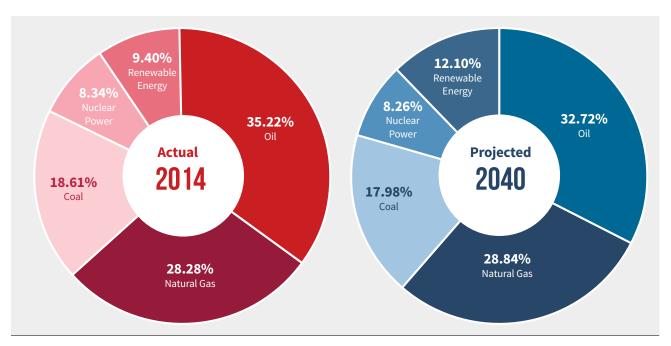
# **WILL CONTINUE TO GROW**

### WHAT DOES THE AMERICAN ENERGY REVOLUTION MEAN

Today, oil and natural gas provide the bulk of America's energy; and government and private analysis agree they will continue to do so for decades come.

### **TOTAL ENERGY CONSUMPTION BY FUEL**

2014-2040



Source: EIA, AEO 2015, Tables A2 and A17, April 2015.

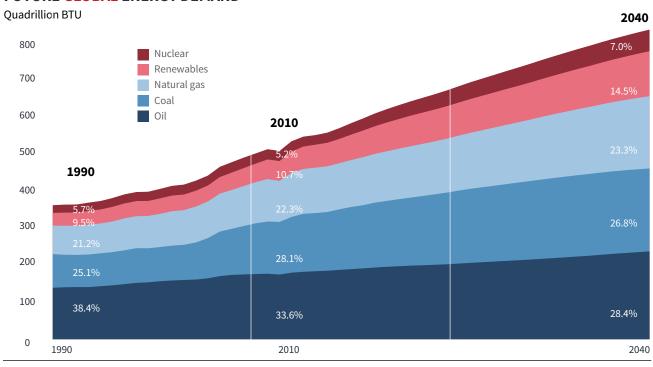


# MORE ENERGY IN 2040 THAN IN 2010

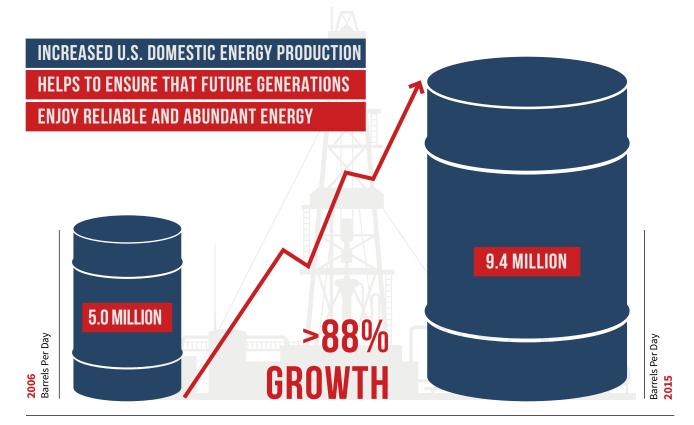
WHAT DOES THE AMERICAN ENERGY REVOLUTION MEAN

What is true for America is also true for the world, demand for energy from all sources will continue to grow.

### **FUTURE GLOBAL ENERGY DEMAND**







Source: EIA. ENERGY IN CHARTS/ 23

# THE U.S. ENERGY REVOLUTION IS THANKS IN LARGE PART TO INDUSTRY INNOVATIONS

## WHAT DOES THE AMERICAN ENERGY REVOLUTION MEAN

Today, the U.S. is more energy self-sufficient and has transitioned from an era of energy scarcity and dependence into a global energy leader.

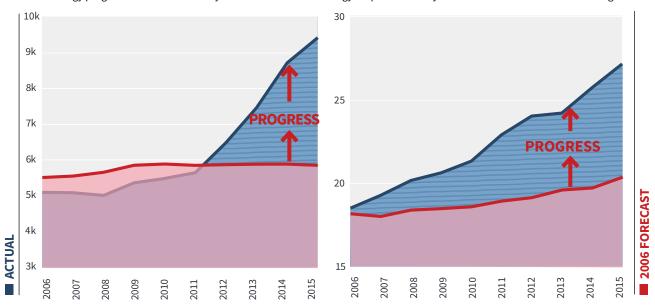
### U.S. FIELD PRODUCTION OF CRUDE OIL

Million Barrels Per Day

#### U.S. DRY NATURAL GAS PRODUCTION

**Trillion Cubic Feet** 

America's energy progress can be measured by the actual amount of energy we produce today versus the forecasts from a decade ago.



Source: EIA, AEO2006 - Table 14; January 2016 Monthly Energy Review.

# INCREASED DOMESTIC OIL AND NATURAL

# GAS PRODUCTION MEANS A MORE ENERGY

# **SECURE NATION**

### WHAT DOES THE AMERICAN ENERGY REVOLUTION MEAN

The U.S. energy revolution has increased the supply of domestically produced energy and lessened the need to import energy resources.

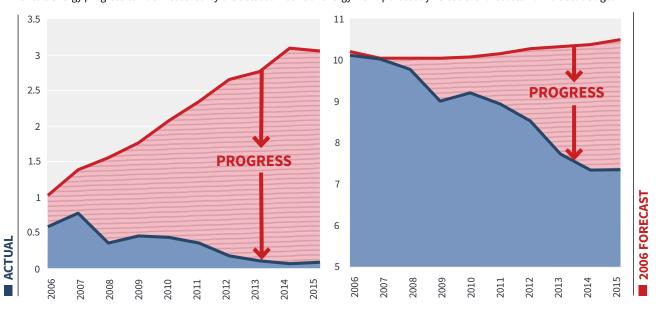
#### **U.S. NATURAL GAS IMPORTS**

U.S. CRUDE OIL IMPORTS

**Trillion Cubic Feet** 

Million Barrels Per Day

America's energy progress can be measured by the actual amount of energy we import today versus the forecasts from a decade ago.



Source: EIA, AEO2006 - Table 13; EIA, AEO2006 - Table 11; January 2016 Monthly Energy Review.

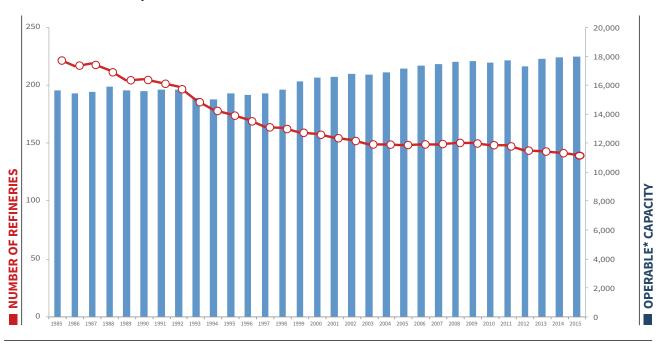
# WORLD-LEADING INNOVATION CONTINUES TO INCREASE THE EFFICIENCY AND CAPACITY OF AMERICA'S REFINERIES

### WHAT DOES THE AMERICAN ENERGY REVOLUTION MEAN

Refining capacity is crucial to our nation's economy and security. Our military depends on American refineries to provide secure, available fuels wherever and whenever they are needed. American refineries also supply the nation with clean and affordable fuels that are required to manufacture and produce hundreds of thousands of consumer products.

### NUMBER OF REFINERIES DECLINES BUT CAPACITY EXPANDS

Thousands of Barrels Per Day



<sup>\*</sup>Operable as of January 1st of each year.





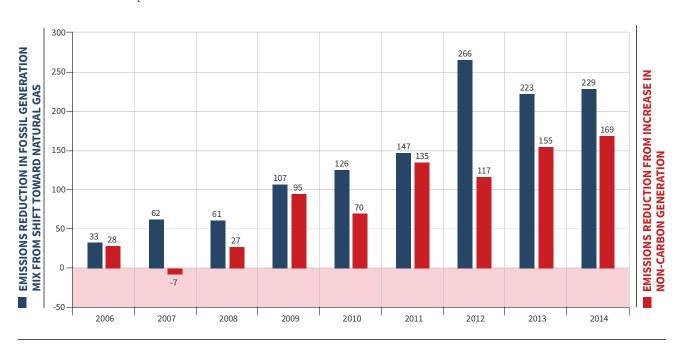
# MORE U.S. ENERGY, LOWER U.S. EMISSIONS

### WHAT ABOUT THE ENVIRONMENT

A fundamental shift to natural gas continues to reduce our nation's CO<sub>2</sub> emissions from electricity generation from 2006 – 2014.

### **ELECTRIC POWER SECTOR CO, REDUCTION**

Million Metric Tons of CO<sub>2</sub>



Source: EIA. ENERGY IN CHARTS/ 33

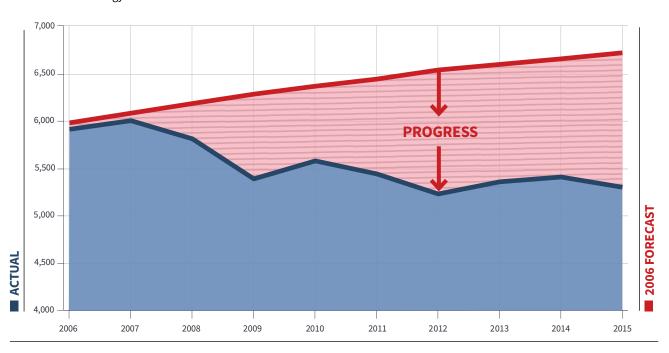
# LOWER CO2 EMISSIONS FROM ELECTRICITY GENERATION

### WHAT ABOUT THE ENVIRONMENT

America's energy revolution has not only increased production and economic growth, but also helped decrease greenhouse gas emissions. Today, the U.S. is leading the world in energy production while it simultaneously leads the world in reductions of greenhouse gas emissions, an achievement that stands alone on the world stage.

### ${\rm U.S.\ LOWER\ CO_{_2}\ EMISSIONS}$

Emissions From Energy



Source: EIA, AEO2006 - Table 18; 2015, Feb 2016 STEO for 2015.

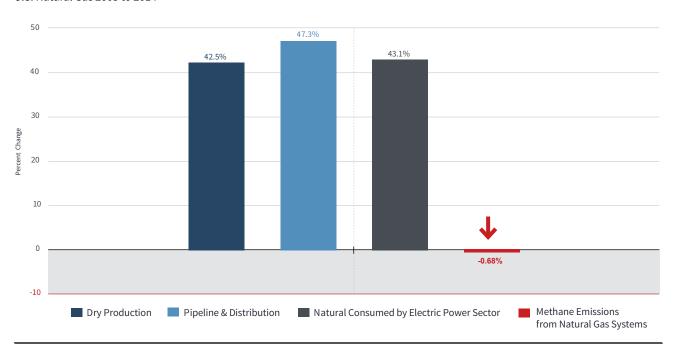
# CLEANER BURNING NATURAL GAS LEADS TO LOWER EMISSIONS

### WHAT ABOUT THE ENVIRONMENT

Our nation's abundant supply of domestically produced natural gas, driven by innovations in hydraulic fracturing and horizontal drilling, continues to drive down greenhouse gas emissions for the nation.

#### METHANE EMISSIONS FALLING WHILE PRODUCTION RISES

U.S. Natural Gas 2005 to 2014

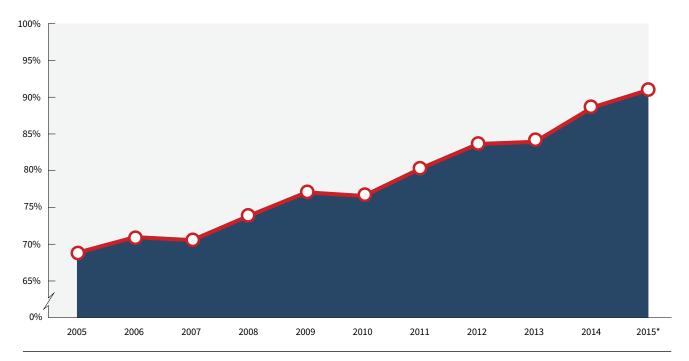




#### WHAT ABOUT THE ENVIRONMENT

The vast majority of the energy we consume is produced right here in North America by the world's most efficient and advanced refineries.

#### **U.S. ENERGY PRODUCTION AS PERCENTAGE OF CONSUMPTION**



<sup>\*</sup> Data through November 2015.

ENERGY IN CHARTS/39



# **HOW TO STOP THE AMERICAN ENERGY REVOLUTION Substitute Government Mandates** for Economic and Market Realities.

# THE RENEWABLE FUEL STANDARD IS A

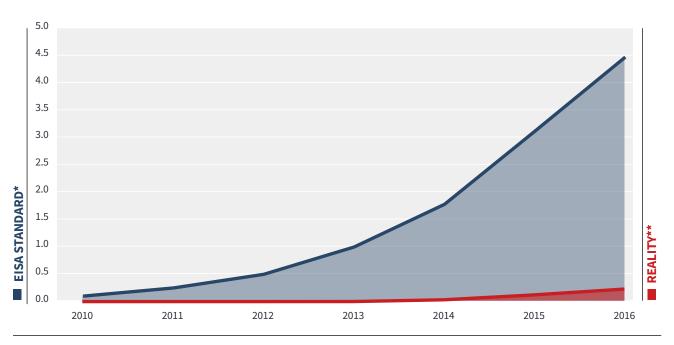
# FAILED POLICY THAT ENDANGERS CONSUMERS

## HOW TO STOP THE AMERICAN ENERGY REVOLUTION

The RFS should be repealed or significantly reformed. Its artificial mandates are based on consumption forecasts that are much different from market reality.

#### **EISA CELLULOSIC VOLUMES EXCEED REALITY**

Billions of Gallons



Source: Energy Independence and Security Act of 2007. EPA EMTS data and 2016 Final Rule.  $\underline{ https://www.epa.gov/renewable-fuel-standard-program}.$ 

<sup>\*</sup>Applicable volume of cellulosic biofuel (in billions of gallons); \*\* Cellulosic RINs (billions).

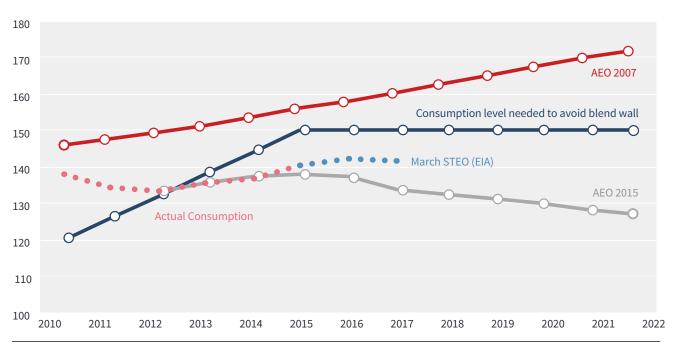
# THE RENEWABLE FUEL STANDARD IS A DANGEROUS RELIC OF OUR NATION'S ENERGY PAST

### HOW TO STOP THE AMERICAN ENERGY REVOLUTION

The Renewable Fuel Standard's disconnect with market reality could send our nation into the blend wall, which could cost consumers millions of dollars in unexpected engine repair costs.

#### MARKET REALITY VS. RFS MANDATES

Billions of Gallons



Source: EIA and EISA. ENERGY IN CHARTS/ 45



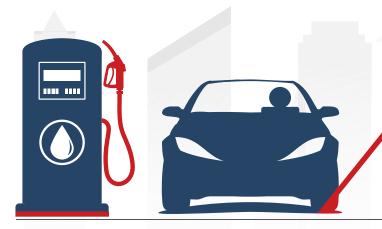
## HOW TO STOP THE AMERICAN ENERGY REVOLUTION

Biofuels have an important role to play in meeting the fuel needs of America's consumers. Our nation's world-class refiners will continue to use biofuels due to their valuable blending properties with or without the RFS mandate. Unfortunately the continued implementation of biofuel mandates untethered from market reality or consumer demand poses a significant potential risk to consumers through engine repair costs.

#### **E85 NOT A SOLUTION TO BLEND WALL**

**Annual Gasoline Demand** 





LESS THAN
1 PERCENT OF
GASOLINE DEMAND



# HOW TO STOP THE AMERICAN ENERGY REVOLUTION

Keep Most Federal Land Off Limits to Safe and Responsible Energy Production.

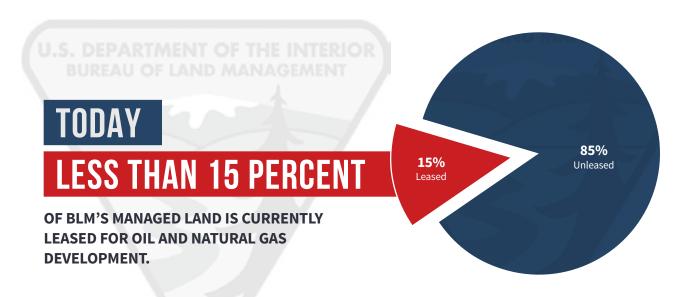
# AMERICAN ONSHORE ENERGY RESOURCES

# OFF LIMITS

### HOW TO STOP THE AMERICAN ENERGY REVOLUTION

The U.S. energy revolution is unnecessarily constrained by limited access to energy resources on the vast majority of land under federal jurisdiction.

#### MOST ONSHORE AMERICAN ENERGY RESOURCES ARE OFF LIMITS

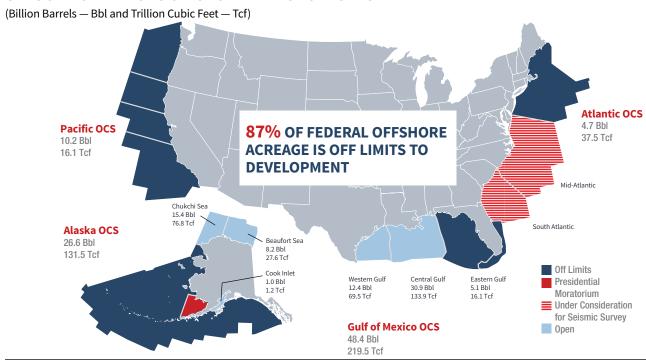


# TO AMERICA'S ENERGY FUTURE

### HOW TO STOP THE AMERICAN ENERGY REVOLUTION

Approximately 87 percent of our nation's offshore acreage is off-limits to energy production. If production on federal lands had grown at the same rate as overall U.S. production, from 2009 through 2014, total royalties would have been 22 percent higher, with an additional \$11 billion in royalties collected by the federal government. That glaring difference is not just bad energy policy; it is also bad fiscal policy.

#### UNLOCKING AMERICA'S OFFSHORE ENERGY OPPORTUNITY



# IN ORDER TO REMAIN A GLOBAL ENERGY SUPERPOWER, THE U.S. NEEDS A TRUE ALL

# OF THE ABOVE APPROACH TO ENERGY POLICY

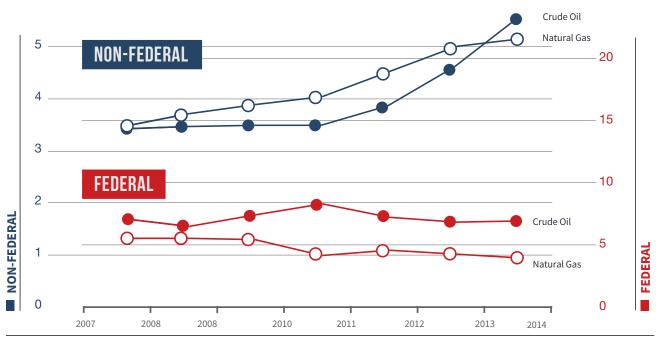
## HOW TO STOP THE AMERICAN ENERGY REVOLUTION

In the **private sector**, on state-controlled and private property, crude oil production increased by **88 percent**, and production grew **43 percent** for natural gas **between 2009 and 2014**. Conversely, on **federally controlled** land crude oil production has **remained flat** and natural gas production has **declined by 35 percent** during the same time period. Unnecessary restrictions on energy resource development on most federal land stifles our nation's ability to the produce the energy we need and hinders our ability to maintain American global energy leadership.

#### U.S. OIL AND NATURAL GAS PRODUCTION ON FEDERAL VS. NON-FEDERAL LANDS AND WATERS

Millions Barrels Per Day (Crude Oil)

Trillion Cubic Feet Per Day (Natural Gas)



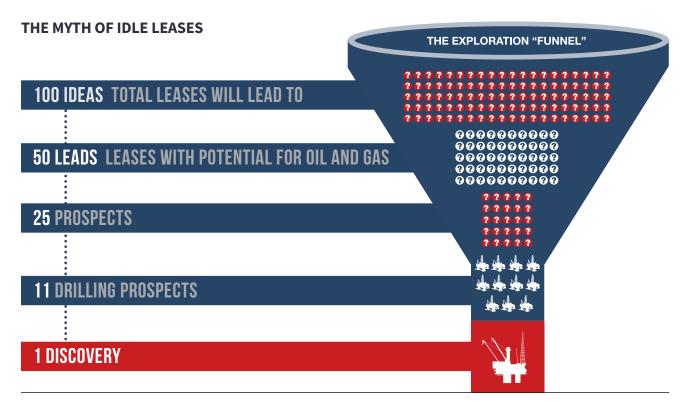
Source: CRS, "U.S. Crude Oil and Natural Gas Production in Federal and Non-Federal Areas," April 10, 2014 and February 28, 2013.

# HOW MANY LEASES ARE REQUIRED TO

# **ENSURE A 90% CHANCE OF DISCOVERY?**

### HOW TO STOP THE AMERICAN ENERGY REVOLUTION

Leases are widely misunderstood. There is no guarantee that a leased area actually has recoverable oil or natural gas resources. In fact, most do not! Additionally, leases that are labeled "idle," or non-producing, are often under geological evaluation or in development.



Source: API, 2008. ENERGY IN CHARTS/ 57





**Energy is fundamental to our society.** The policies that influence it should be based on facts with a focus on what's best for consumers and our economy. We have a once-in-a-generation opportunity to show the world how energy abundance can be used as a positive force.

Future generations are looking to us to get our nation's energy policy right. They are counting on us to leave them a country that is second-to-none in energy production, security and economic prosperity.

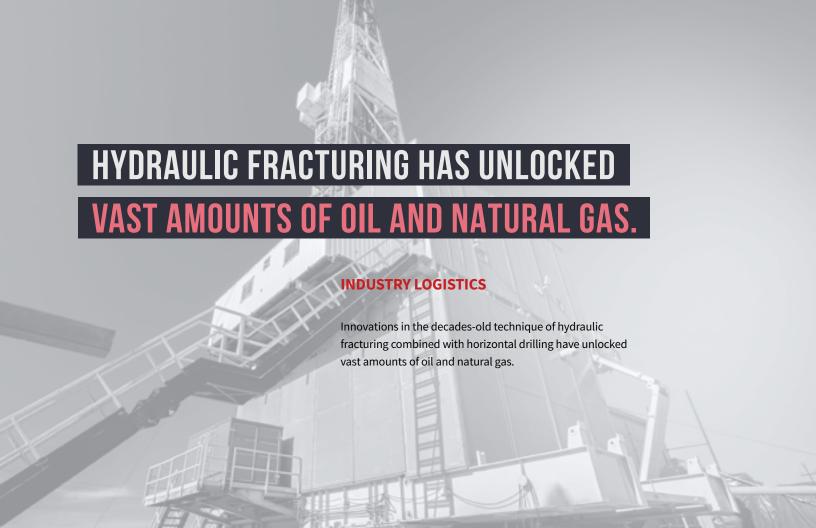




# ENERGY IN CHARTS

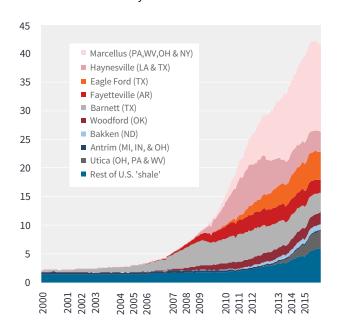






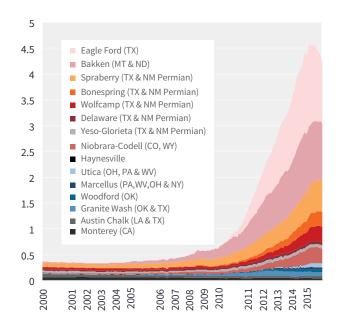
#### U.S. DRY SHALE NATURAL GAS PRODUCTION

Billion Cubic Feet Per Day



#### **U.S. TIGHT OIL PRODUCTION**

Million Barrels Per Day



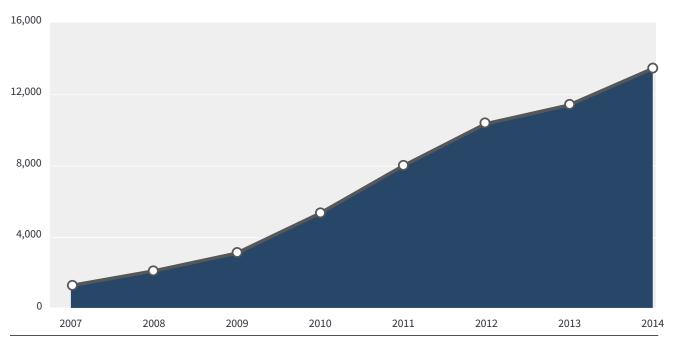


#### **INDUSTRY LOGISTICS**

Increased domestic energy production helps to strengthen our nation's economy.

#### **U.S. NATURAL GAS PRODUCTION**

Billion Cubic Feet



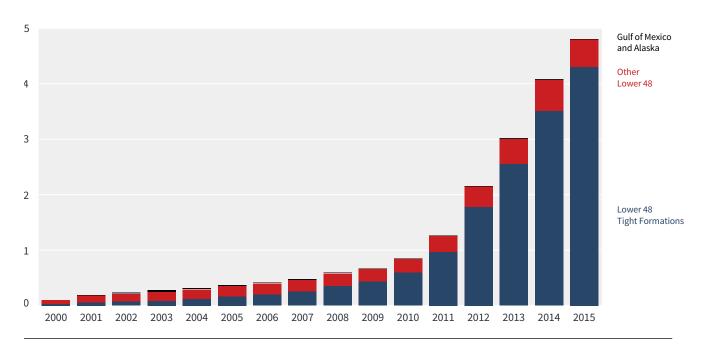
Source: U.S. Energy Information Administration. <a href="https://www.eia.gov/dnav/ng/hist/res\_epg0">https://www.eia.gov/dnav/ng/hist/res\_epg0</a> r5302 nus bcfa.htm

# HYDRAULIC FRACTURING AND HORIZONTAL DRILLING ARE VITAL TO U.S. ENERGY PRODUCTION

#### **INDUSTRY LOGISTICS**

Hydraulic fracturing, combined with horizontal drilling, has powered the U.S. energy revolution. Without this technology, the U.S. would not be the world energy leader that it is today.

# OIL PRODUCTION FROM HYDRAULICALLY FRACTURED WELLS IN THE UNITED STATES (2000-2015) Million Barrels Per Day



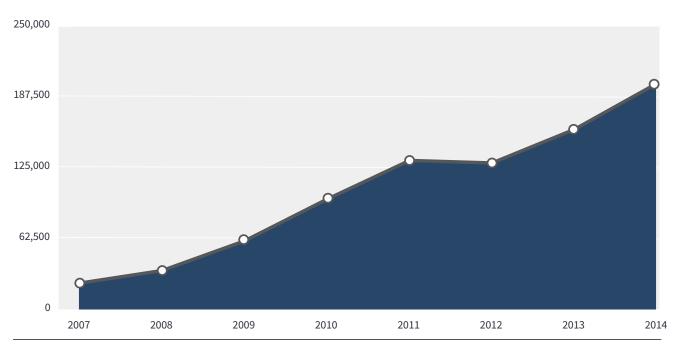


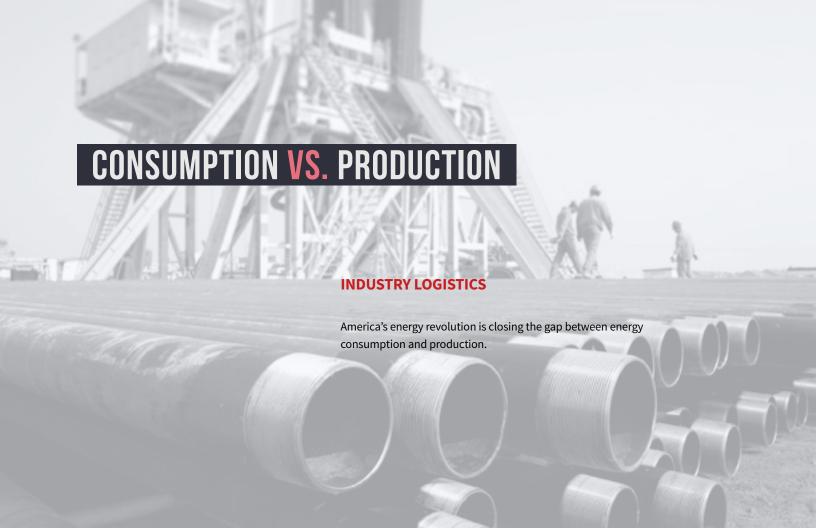
#### **INDUSTRY LOGISTICS**

Increases in proved reserves allow the U.S. to remain a world energy leader and add to our nation's future energy security.

#### **U.S. SHALE PROVED RESERVES**

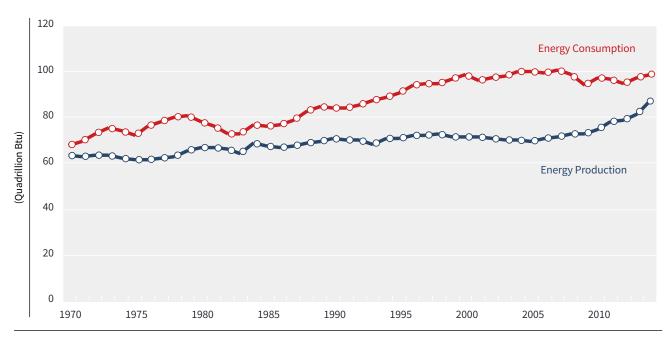
Billion Cubic Feet



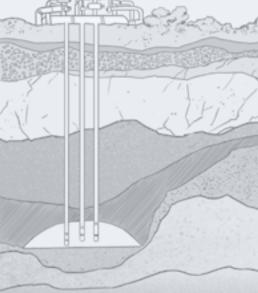


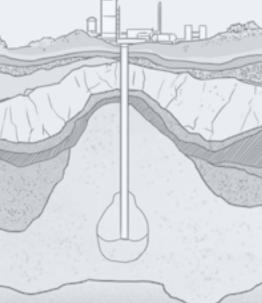
### **PRIMARY ENERGY OVERVIEW**

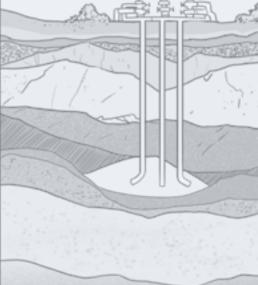
Annual Totals, 1970-2014



# WHERE NATURAL GAS UNDERGROUND STORAGE FIELDS ARE LOCATED

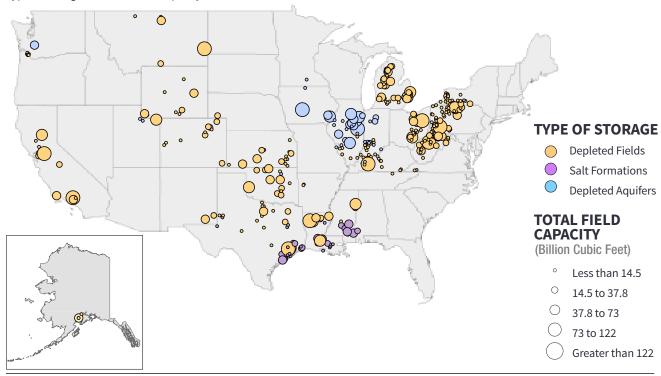






#### WHERE NATURAL GAS UNDERGROUND STORAGE FIELDS ARE LOCATED

Type of Storage and Total Field Capacity, 2015



Source: EIA Energy Mapping System; EIA-191 Monthly Underground Gas Storage Report, 2015. https://www.eia.gov/cfapps/ngqs/ngqs.cfm?f\_report=RP7

Note: The map includes both active and inactive fields.

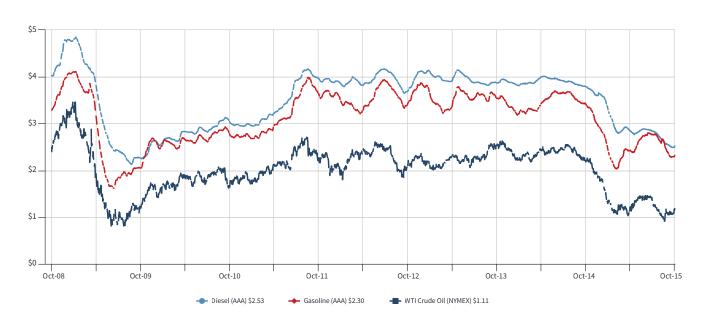


#### **INDUSTRY LOGISTICS**

Price changes are determined in the global crude oil market by the worldwide demand for, and supply of, crude oil. Weak economic conditions in the U.S. and around the world in 2008 and into 2009 led to less demand, which helped push prices down.

# **GASOLINE, DIESEL AND CRUDE OIL PRICES**

October 14, 2015



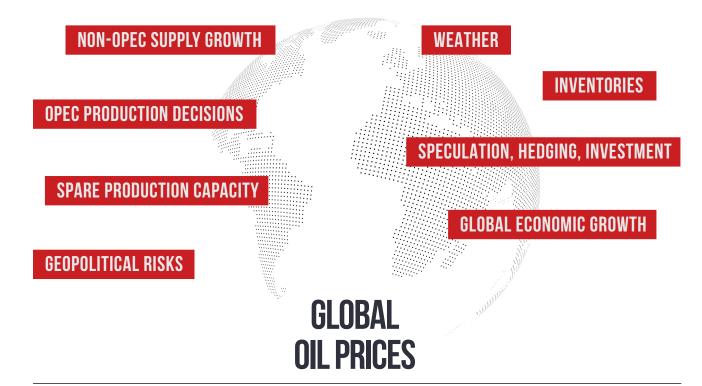
Source: NYMEX (WTI crude oil) and AAA (gasoline and diesel).

# OIL PRICES

# RELATE TO MANY UNCERTAIN FACTORS

#### **INDUSTRY LOGISTICS**

Crude oil prices are set globally through the daily interactions of thousands of buyers and sellers in both physical and futures markets, and reflect participants' knowledge and expectations of demand and supply. In addition to economic growth and geopolitical risks, other factors, including weather events, inventories, exchange rates, investments, spare capacity, OPEC production decisions, and non-OPEC supply growth all figure into the price of crude oil.



Source: EIA. ENERGY IN CHARTS/ 85

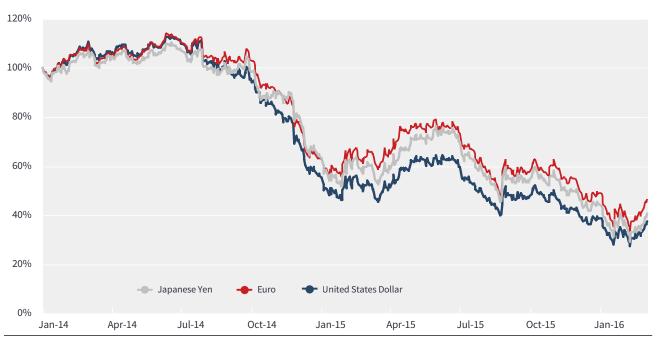
# THE VALUE OF THE DOLLAR MAKES A DIFFERENCE

THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE

# **INDUSTRY LOGISTICS**

The strength of the U.S. dollar against other currencies around the world has widened compared to the Yen and the Euro.

# PERCENT CHANGE OF WEST TEXAS INTERMEDIATE CRUDE (WTI) IN DOLLARS, EUROS, AND YEN









# \$90 BILLION IN ZERO- AND LOW-CARBON EMITTING

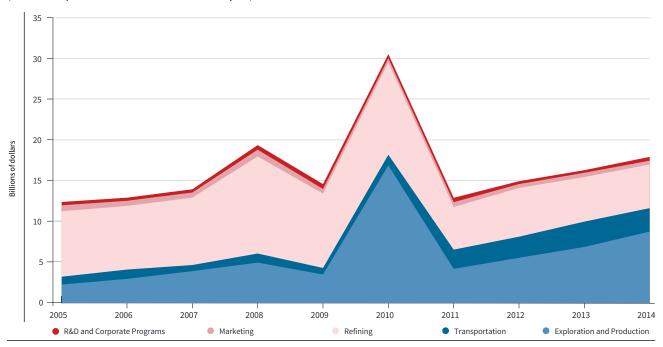
# TECHNOLOGIES FROM 2000 THROUGH 2014.

## **ENVIRONMENT AND EMISSIONS**

That's almost as much as the federal government's investment of **\$110.3** billion.

#### **U.S. ENVIRONMENTAL EXPENDITURES SINCE 2005**

(Includes Expenditures on Remediation and Spills)



All expenditures are estimated except for remediation and spills.

ENERGY IN CHARTS/91

In 2010, Remediation and spills are unusually high because of an outlier event.

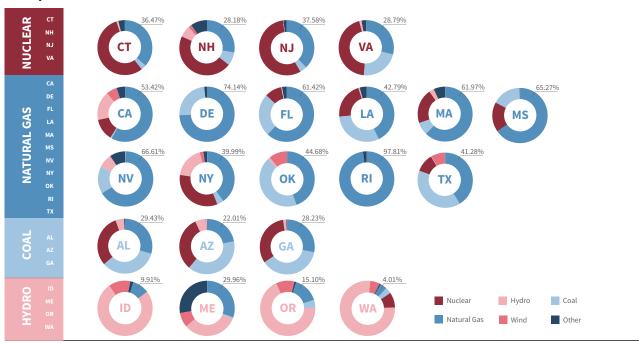
# LETTING MARKETS WORK

# **ENVIRONMENT AND EMISSIONS**

**Natural gas is a leading energy source in many states with below average emissions.** Yet, EPA seeks to downplay natural gas use. This is what happens when ideology and politics trump science.

#### STATES WITH BELOW AVERAGE EMISSION RATES

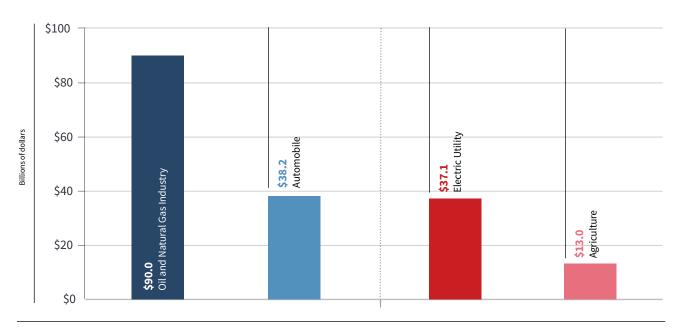
**Primary Fuel Sources** 





### **SPENDING TO REDUCE GHG EMISSIONS**

Leading Private Investors 2000-2014



Source: T2 & Associates, "Key Investments in Greenhouse Gas Mitigation Technologies from 2000 Through 2014 by Oil and Gas Firms, Other Industry and the Federal Government," September 2015.





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